

PERFORMANCE APPRAISAL SYSTEMS FOR ORGANIZATIONAL SUCCESS

STRATEGIC MANAGEMENT OF CHANGE

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ABSTRACT

The problem faced by the Queensland Fire and Rescue Authority (QFRA) has been that current performance appraisal strategies do not support the institutionalization of desired organisational direction.

The purpose of this applied research project is to examine the issues associated with performance appraisals and identify proven and suitable methodologies which will result in a process that is credible and equitable and reinforces desired organizational directions.

The research methodology used was an evaluative approach. The specific research questions examined in order to arrive at a valid decision for future strategies were:

1. What is the purpose of performance appraisals?
2. What should be measured in performance appraisals?
3. How can individual performance appraisals add to organizational success?

The procedures developed for this project were aimed at overcoming these issues. This was achieved by evaluating the need for performance appraisals, problems associated with various methodologies and examining the qualities that need to be measured, both in terms of the individual and organization and identifying means of improving organizational performance.

The research found that current processes within the QFRA focus on dealing with diminished performance issues. Subsequently, the efforts of the individual are not necessarily aligned with desired organizational direction and little incentive exists amongst managers to challenge current processes or encourage risk taking to improve service delivery.

This research recommends that current performance appraisal systems be redeveloped to focus on outputs and be structured in such a way to reinforce desired behavioural patterns and to reward rather than just provide for punitive measures.

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INTRODUCTION

The problem faced by the Queensland Fire and Rescue Authority (QFRA) has been that current performance management strategies do not support the institutionalization of desired organisational direction and focus primarily on dealing with cases of diminished performance.

The purpose of this applied research project is to examine the issues associated with performance management and identify proven and suitable methodologies which when adopted will result in the implementation of a process that is transparent credible, and equitable and reinforces the desired organizational directions of the QFRA.

The research methodology used was an evaluative approach. The specific research questions examined in order to arrive at a valid decision for future strategies were:

1. What is the purpose of performance appraisals?
2. What should be measured in performance appraisals?
3. How can individual performance appraisals add to organizational success?

BACKGROUND AND SIGNIFICANCE

The aim of public sector reforms has been to improve the effectiveness, efficiency and appropriateness of Government activities. Inherent in this, has been a shift from the traditional emphasis of accounting for inputs and costs to the achievement of program goals and the appropriate use of resources.

A key factor in the success of these reforms has been the empowerment of those best placed in the organisation to make decisions, the public sector manager. Through devolution and delegation, a better match of authority and responsibility has resulted in an increased flexibility

of those closest to the client to tailor services to meet their expectations and therefore the desired goals of the organisation. To facilitate this success it has been necessary to accept that this approach requires a “greater accountability by managers for results.” (Management Advisory Board, 1993, p.13)

The Auditor General, in response to the Parliamentary Joint Committee on Public Accounts report 296, found that “accountability is the fundamental prerequisite for preventing the abuse of delegated power”. (PSM Course Notes, 1994, p.121) The Commonwealth Department of Finance (1994), describes accountability as, “making performance visible to someone who has specific authority to call the performer to account for that performance” (p.11).

To manage this accountability, whether to the CEO, the Minister or the public, there is a need to be able to measure the performance of these managers and ultimately the organisation in terms of effectiveness, efficiency and appropriateness. The processes of personal appraisals, program evaluation and internal audits are mechanisms for providing such information and facilitating the transparency of government operations.

To establish a framework for success in this environment, the Queensland Fire and Rescue Authority has re-evaluated its future direction and the style of leadership needed to deliver the organisation into the next millennium.

Although there is currently no system in place which is formally recognised as a performance appraisal system, there are systems which provide some means of monitoring aspects of both an individual’s performance and overall progression towards organisational goals, these include:

Training: Progression of individuals through the various pay points is dependent upon the completion of predefined training and development modules. These are aligned with the

Australian Fire Competencies accredited through the National Training Board. Associated with this competency based training program is an extensive record management system to track an individual's progress. Although assessment is by workplace assessors, many modules are distance learning based and as such, there is limited interaction with assessors. To address this, a mentor system provides the individual with support, advice and direction. This system only serves to provide a reliable account of skill acquisition and maintenance assessment history and does not provide management with empirical information on workplace performance.

Management Information Systems: The management information system in place provides information on progress towards organisational goals through reporting based upon the operational plan. Targets for work teams are set in consultation with staff at particular work locations and are derived from this plan. At best however, this information is only generally indicative of the performance of a particular team, the composition of which may well have changed during the reporting period. Based primarily on numerical responses, the MIS does not provide for information relating to factors that may have impinged on service delivery.

HR Policies: Currently the only HR policy issued which deals with staff performance is that of 'Managing Diminished Performance'. The existence of a detailed policy on this matter, without the formalisation of methodology to identify and plan for peak performance, is somewhat paradoxical. Linked to the policy are procedures for counseling, both informally and formally. However the precursor to these is the recognition of a problem with an individual's performance, thus, to formally discuss performance with a supervisor is seen by many as a punitive measure. To many staff, this reinforces the notion that management is more interested in punishing than rewarding.

The benefits of the project are both to the organization and the individual. The ultimate organizational benefit is that of having high performing employees in place ensuring the organisation will be best placed to achieve corporate goals. For the individual, it enables a clear communication of the organization's requirements, identification and commitment to developmental needs and opportunities as well as offering protection and ensuring equitable treatment. Improved efficiencies in these processes will also provide returns to the organisation in the form of quite obvious and tangible resource savings.

A key part of the Strategic Management of Change component of the Executive Fire Officer Program is study of the Change Management Model outlined in module 2 and studied further in subsequent modules. Phase IV of the model deals with institutionalization of change, part of the process deals with incorporation of new behaviors and the monitoring and reinforcement of the new culture. How this is achieved was the subject of considerable debate during the course and the aspect of incorporating desired behavior into performance management plans of individuals discussed at some length amongst course/syndicate members.

LITERATURE REVIEW

Research Question 1. What is the purpose of performance appraisals?

Evaluations of agencies and programs aid in determining levels of efficiency, effectiveness and appropriateness and facilitate future planning to enhance the ability to meet client needs. Similarly, appraisals of individuals can also provide such vital information and opportunities for improvement. Indeed there is an inalienable link between the two. Dickenson (1991) argues that "to ignore individuals in the review process is to ignore a major input into the achievement of organisational outcomes" (p109).

It is often said that organisations that perform well are a reflection of the efforts and successes of their staff. Recognising these efforts and appropriately praising or redirecting them is imperative for organisational success. This is the basic purpose of performance appraisals. George and Cole (1992.) describe it as, “to discuss performance and plan for the future” (p389). Wanna et al (1992) define the objective of staff appraisals as “to improve planning and service delivery at the general level, but also to provide feedback to individual officers” (p162).

To underpin these discussions, there must be a reliable and accurate method by which to determine current levels of performance and compare them with predetermined levels of acceptability. There is therefore an inference of a need for quantifiable standards linked to job descriptions and expected performance (Wanna et al 1992). Wood (1989) argues that this leads to two types of appraisal mechanisms, based on either accountabilities or core competencies.

The challenge, is to “find ways to discuss openly what has previously been left unsaid” (Cherry, 1993, p. 106).

Covey (1991), in discussing the work of Demming, makes the point that as managers we must be less concerned with supervising and concentrate on being leaders. He finds that, “sustainable cultural change can take place within an organisation only when the individuals within the organisation first change themselves from the inside out” (p265).

Cherry (1993) highlights the viewpoint of Demming (1982) that appraisal processes can be counter productive to organizational success as they are odds with processes which encourage some degree of risk taking to meet client needs or develop new methodologies through trial. Also of this view is Mintzberg (1987) who considers:

A fundamental dilemma of strategy making is the need to reconcile the forces for stability and for change – to focus efforts and gain operational efficiencies on the one hand, yet adapt and maintain currency with a changing external environment on the other. (p71)

Cherry (1993, p.103) however sees the appraisal process as fundamental to the success of organizational change initiatives citing the work of Dunphy and Hackman (1988) and the “powerful formative effects (of performance management) on the organisational power structure, on the workforce skill profiles and on corporate culture” (p23).

Dickenson (1993) espouses the common viewpoint of contemporary readings:

The focus in its current application is to link performance review of individuals’ to overall corporate or strategic planning so that the outcomes of individuals’ performance is related to organizational outcomes. (p109)

Research Question 2. What should be measured in performance appraisals?

In terms of performance appraisals of individuals, it is necessary to consider exactly what should be measured or judged in terms of performance. This firstly requires examination of what the requirements of a certain position are, this examination is based upon those at or near an executive position.

To address the challenges facing public sector organisations and to place these organisations in positions of future success will require people with distinctive and particular knowledge, skills and attributes or competencies (Dickensen, 1993). A commonly accepted concept of the term ‘Competency’, is that which the National Training Board (1992) discusses in terms of “...what is expected of an employee...” (p. 29) and which encompasses, knowledge, skill and their application.

Curtain (1993) highlights the key competencies required are those of leadership, stating that “public sector managers at all levels need to be able to display leadership values” (p. 38). The issue of leadership competencies versus a more traditional managerial skill set is argued by Curtain in terms of good management being related to order and predictability whilst leadership through inspiration, motivation and establishment of common values of staff is able to produce change, “often to a dramatic degree” (p. 38).

In terms of developing future leadership competencies in our staff, we must identify the practices and devote our efforts to developing staff to be able to not only meet challenges as they occur, but to be able to create opportunities and “turn challenges into remarkable successes”. (Kouzes & Posner, 1997, p.)

Some of the traits required of these leaders are identifiable in traditional theories, such as that espoused by Bennis & Nanus (1985), in that, "One aspect of an effective leader is the ability to manage and communicate meaning; to ensure that those leading can capture the imagination of others and align these behind the organisation goals and priorities" (p. 163). Also identifiable are those traits discussed by George and Cole (1992) as those of a transformational leader including the ability to think strategically, conceptualise and set visions and missions. They also suggest that they are energetic, charismatic people with excellent communication skills, able to inspire people.

The progressive change in mix of skills required as people progress within an organisation is well documented by authors such as George and Cole (1992) and Jansen and de Jongh (1997). Whilst CBT lends itself well to the recognition of technical related skills, the measurement of managerial skills can be argued to be somewhat more subjective.

It can be argued that whilst CBT provides an accurate account of skill levels, it does not offer information on an individual's performance, other than performance in obtaining those skills. Stevenson (1994) argues the limitation of CBT, especially the fact that it does not take into account factors such as attitude. Stating that "where values additional to the satisfaction of industry's need for skilled workers apply, or where personal construction of knowledge by the individual is warranted, the limitations of the system become more apparent" (p. 7)

Thus for organisations, such as the QFRA, CBT is an excellent tool when considering the performance of staff at levels linked to a pay for skills award. Whilst CBT outcomes do indicate particular skills held by personnel, it falls short of being sufficient to be the sole basis to judge potential for further development or current performance standards.

The Australian Fire Competencies are described as reflecting the skills, knowledge and application required to perform competently on the job, what is not discussed is the issue described by various authors (Dulewicz 1989 and Woodruffe 1992) as the behavioural patterns which should be specific, observable and verifiable.

Research Question 3. How can individual performance appraisals add to organizational success?

Within Queensland, the office of the Public Sector (1997) have recognised that the "public service of the future will have a strong performance culture which will revolve around valuing the contribution of staff as individuals and team members, client service, best practice and the achievement of organizational goals. Leadership skills.....will be at a premium" (p. 3).

The model outlined for workforce management relies heavily on the implementation of this "Workforce Leadership" principle, defined as "mobilizing people to deal with current and future challenges" (p. 9). Four key elements are identified for implementation of the plan

together with actions and outcomes. The ability to apply these elements must then form the basis of leadership competencies required for the organisation and as such form at least part of the basis for performance appraisal considerations.

These elements are:

- Organisational leadership,
- Leadership of people as individuals and teams,
- Management of change, and
- Accountability for performance.

As part of the plan, another three principles are identified; all of which rely on leadership skills,

- Workforce Capability: Having the right people in place at the right time.
- Workforce performance: Creating a performance culture centered on continuous improvement and best practice, and
- Organisational Climate: Creating a positive work environment where people feel valued and respected.

The Commonwealth Department of Finance (1994) defines the goal of Human Resource Management as focusing “on individual performance thus helping people achieve their agency’s or their program’s objectives and continuously improve their agency’s performance” (p. 45).

Examination of discussions on the role of organisational culture and an individuals attitude or ‘fit’ in an organisation reveal a number of often opposing viewpoints. Townsend (1996) holds that workplace culture (future) needs to be central to staff selection and that “welding culture and merit can result in significant change”.

Kouzes and Posner (1993) stress the importance of “finding people who fit the company rather than a specific job” (p. 136), this can be extrapolated to include keeping the right people.

It must be recognised that every organisation will be subject to a set of values or culture and if that culture is not the desired one then the identification of desired attitudes or behaviours in individuals should be actively considered at times of performance review.

PROCEDURES

The procedures developed for this project were aimed at overcoming these issues. This was achieved by evaluating the need for performance appraisals and problems associated with various methodologies, examining the qualities that need to be measured, both in terms of the individual and organization and identifying means of achieving improved organizational performance through implementation of a reliable process.

A literature review of these areas was conducted and the results have been documented. The implications of the identified contemporary thinking are discussed in terms of impact and benefits to the organization and recommendations made for establishing future procedures to overcome the current problems.

Literature Review

An initial literature review was conducted at the National Fire Academy’s Learning Resource Center (LRC) during August 1999. The majority of the literature review was conducted within Australia from information obtained from a number of libraries including the Australian Institute of Police Management, the Queensland Department of Emergency Service and the Queensland State Library.

Material reviewed primarily consisted of textbooks magazines and journals providing contemporary comment on the issue of performance appraisals within a public sector environment, however the review also examined material specific to the private sector in order to gain a greater overall perspective.

Assumptions and Limitations

Performance appraisal systems within the QFRA are loosely based upon Queensland Public Sector models but have been developed internally. Rather than specifically evaluating QFRA procedures this research examined the broader issues associated with performance appraisal strategies, primarily but not limited to the public sector environment. This paper has also primarily dealt with examining these issues in relation to executive level positions.

Fire services within Queensland and indeed Australia have traditionally been relatively insular and not necessarily kept pace with industry changes and the wider community in issues such as those being considered. The approach taken to consider the general public sector environment was too avoid a polarized view of the subject based on historical fire service opinions and therefore limit outcomes.

Although many Executive Fire Officer Program participants were questioned regarding practices within their brigades, this information was not widely used due to the considerable differences in organizational structures and cultures as well as markedly different approaches to and political climates in key areas such as equal opportunity and anti-discrimination.

Research Methodology

In order to identify how to improve the process it was necessary to critically analyze current procedures.

The research was therefore evaluative in nature collecting data on the type of process in use and analyzing the information in order to identify appropriate recommendations.

The first stage was to examine contemporary thinking on the reasons for utilizing a performance appraisal system through an extensive literature review. The second considered the requirements of personnel to be reviewed, their organizational role, what knowledge skills and attitudes they should possess to reinforce desired organizational directions. The final stage was to identify and consider what options were available to implement such a scheme.

Definition of Terms

For the purpose of this study the following definitions of terms is provided.

Area Director. A rank of senior officer typically in control of approximately 100 permanent staff with a budget of approximately AUD\$5,000,000.

Australasian Fire Authorities Council. The peak industry body within Australia and the Pacific Rim, consisting of representatives of all Fire Service agencies.

Australian Fire Competencies. A set of standards identifying common competencies required at various levels within Fire Services from base grade to executive level.

Competency Based Training (CBT). A system of training individuals to achieve a particular predetermined level of ability.

Merit Selection. A means of determining relative merit amongst a number of applicants for a particular position.

Performance Appraisal. A means of determining the acceptability of an individuals level of performance at work over a given period of time.

Performance Management. A method of implementing performance appraisal techniques and administering any subsequent remedial actions.

Queensland Fire and Rescue Authority (QFRA). A statutory body formed in 1997 to provide seamless delivery of all fire and rescue related services to the Queensland community.

Queensland Fire Service. The Government body formed in 1990 as a result of the amalgamation of 83 independent Fire Brigade Boards throughout Queensland.

Regional Commissioner. The Senior most position of the QFRA within a geographic region.

RESULTS

Research Question 1. What is the purpose of performance appraisals?

In reviewing contemporary thinking on the subject of performance reviews and appraisals, a subtle shift in purpose is apparent from the early nineties until present day. Earlier writers such as Stoner (1985, p658) discuss appraisals from a view point of assisting the employee, whilst more contemporary writings focus on the benefit to the organization through increased accountability, institutionalization of change and common organizational directions.

Contemporary thinking on performance appraisals deals with the combination of all aspects regarding both the individuals performance on task-related issues as well as behavioral aspects and progression of organizational ideals. Cherry (1993) describes them as a “label for processes which include performance evaluation, performance measurement, individual goal setting and development planning” (p. 97).

Dickenson (1993) summarizes the common viewpoint of contemporary readings:

The focus in its current application is to link performance review of individuals' to overall corporate or strategic planning so that the outcomes of individuals' performance is related to organizational outcomes. (p109)

This argument is put to reinforce an earlier view that “to ignore individuals in the review process is to ignore a major input into the achievement of organisational outcomes” (Dickenson, 1991, p.109).

The clear purpose then of performance appraisal systems in the modern public sector environment is, in the first instance to provide a means of ensuring that individual and therefore organizational efforts are focused on;

- Achieving desired corporate directions.
- Reinforcing the desired corporate culture.
- Improving accountability and
- Institutionalizing desired organizational change.

Secondly, through implementing a sound performance appraisal policy organizations will be able to “respond more quickly and flexibly to the requirements of government and the public it serves” (Cherry, 1993, p.97).

Research Question 2. What should be measured in performance appraisals?

To address the challenges facing the QFRA and other public sector organizations and to place these organizations in positions of future success will require personnel who possess a skill set which enables them to not only face problems but identify them at an early stage and develop innovative solutions.

It is often said that organisations that perform well are a reflection of the efforts and successes of their staff. Recognising these efforts and appropriately praising or redirecting them is imperative for organisational success.

Curtain (1993) highlights the key competencies required are those of leadership, stating that “public sector managers at all levels need to be able to display leadership values” (p. 38). The issue of leadership competencies versus a more traditional managerial skill set is argued by Curtain in terms of good management being related to order and predictability whilst leadership through inspiration, motivation and establishment of common values of staff is able to produce change, “often to a dramatic degree” (p. 38).

In terms of developing future leadership competencies in our staff, we must identify the practices and devote our efforts to developing staff to be able to not only meet challenges as they occur, but to be able to create opportunities and “turn challenges into remarkable successes”. (Kouzes & Posner, 1997, p.)

It being true then that the key competencies for the future at this level are related to a shift from a managerial to a leadership skill set, then it is this that must be the subject of performance appraisal systems.

Within organisations such as the QFRA, which are trying to effect significant cultural change, and where a key to this is the leadership style of the executive, then an approach which considers personal qualities and the opinions of others can be just as relevant. The challenge for these organisations is to achieve a balance between a system which tracks specific progress towards corporate goals for which the officer is accountable and one that has consideration for how these are achieved.

Cherry (1993), discusses the fact that managers and the managed implicitly appraise one another every day and form judgements about relative competence. The challenge she sees with performance appraisal systems is, “to find ways to discuss openly what has previously been left unsaid”. (p106)

Blanchard (1994) discusses the fact that leadership style is the pattern of behaviors you use with others as perceived by them. The critical part being that it is how others perceive your behaviors that determine your leadership style and that this perception will be based on how you communicate. Knowledge of the best theories and best intentions mean little if you do not practice what you preach or ‘walk the talk’. Failure to do so will build an environment of mistrust and cynicism. Once this has been allowed to occur, “even the most positive communications are met with skepticism and are searched for hidden meanings or traps.” (Stoner et al. 1985, p. 606)

Research Question 3. How can individual performance appraisals add to organizational success?

The implementation of any extended policy on performance appraisals will be dependant on several key factors being addressed, not the least of which will be a clear articulation of the requirements of individual positions.

The model outlined for workforce management relies heavily on the implementation of this “Workforce Leadership” principle, defined as “mobilizing people to deal with current and future challenges” (p. 9). Four key elements are identified for implementation of the plan together with actions and outcomes. The ability to apply these elements must then form the basis of leadership competencies required for the organisation and as such form at least part of the basis for performance appraisal considerations.

These elements are:

- Organisational leadership,
- Leadership of people as individuals and teams,
- Management of change, and
- Accountability for performance.

With these elements as the basis for review and appraising an individuals performance it is not difficult to see that if an individual is capable of meeting requirements under such headings then the organization must also be better positioned. Specific benefits to both the individual and organization could include:

- Organisational:
- Improved morale through displaying organisational commitment
- Performance orientated culture and behaviours
- Improved communication with staff
- Identification of training and development needs
- Reduced subjective judgements and therefore grievances and
- Focussed corporate direction

Individual:

- Better understanding of job role
- Clear goals and expectations free from ambiguity
- Record of commitment from manager for resources and training
- Opportunity to explain non achievement in non threatening environment
- Improved upward communication and
- Increased opportunity for input.

DISCUSSION

Evaluations of agencies and programs aid in determining levels of efficiency, effectiveness and appropriateness and facilitate future planning to enhance the ability to meet client needs. Similarly, appraisals of individuals can also provide such vital information and opportunities for improvement. Indeed there is an inalienable link between the two. Dickenson (1991, p.109) argues that “to ignore individuals in the review process is to ignore a major input into the achievement of organisational outcomes”.

It is often said that organisations that perform well are a reflection of the efforts and successes of their staff. Recognising these efforts and appropriately praising or redirecting them is imperative for organisational success. This is the basic purpose of performance appraisals. George and Cole (1992. p389) describe it as, “to discuss performance and plan for the future”. Wanna et al (1992. p162) define the objective of staff appraisals as “to improve planning and service delivery at the general level, but also to provide feedback to individual officers”.

To underpin these discussions, there must be a reliable and accurate method by which to determine current levels of performance and compare them with predetermined levels of acceptability. There is therefore an inference of a need for quantifiable standards linked to job descriptions and expected performance. (Wanna et al 1992) Wood (1989) argues that this leads to two types of appraisal mechanisms, based on either accountabilities or core competencies.

Within the QFRA, we have previously been preoccupied with the latter. As such, systems for tracking these issues are quite well established. The need is to now focus on responsibilities and accountabilities.

To achieve this, the single most important factor will be the support and cooperation of the staff to be involved. This will only be achieved if it is seen as non-threatening. The

challenge, is to “find ways to discuss openly what has previously been left unsaid”. (Cherry in Gardener ed. 1993 p106)

In doing this, the emphasis must be on the improvements and opportunities presented and not be couched in words such as those of Staib (1996 p203) where the purpose of performance appraisals was described as, “to ensure that performance standards match requirements.”

Although it can be argued that this is indeed the reason for conducting appraisals, such terminology risks being misunderstood by staff with little background in this area and perpetuating the current culture.

This is one of the major problems with current HR policies for personnel classed as Junior Officers, currently the only HR policy issue which deals with staff performance at that level is that of ‘Managing Diminished Performance’. The existence of a detailed policy on this matter, without the formalisation of methodology to identify and plan for peak performance, is somewhat paradoxical. Linked to the policy are procedures for counseling, both informally and formally. However the precursor to these is the recognition of a problem with an individual’s performance, thus, to formally discuss performance with a supervisor is seen by many as a punitive measure. To many staff, this reinforces the notion that management is more interested in punishing than rewarding.

It is now quite commonplace to utilise performance appraisal systems to assist in adapting to change, in some cases linking appraisal outcomes to salary increments. Typically, this sort of system is based more on measurable results than subjective judgements. The problem with this approach is that there is a danger of it becoming more a measure of workload than efficient performance.

Within organisations such as the QFRA, which are trying to effect significant cultural change, and where a key to this is the leadership style of the executive, then an approach which considers personal qualities and the opinions of others can be just as relevant. The challenge for these organisations is to achieve a balance between a system which tracks specific progress towards corporate goals for which the officer is accountable and one which has consideration for how these are achieved.

Cherry (1993), discusses the fact that managers and the managed implicitly appraise one another every day and form judgements about relative competence. The challenge she sees with performance appraisal systems is, “to find ways to discuss openly what has previously been left unsaid”. (p106)

Blanchard (1994) discusses the fact that leadership style is the pattern of behaviors you use with others as perceived by them. The critical part being that it is how others perceive your behaviors that determine your leadership style and that this perception will be based on how you communicate. Knowledge of the best theories and best intentions mean little if you do not practice what you preach or ‘walk the talk’. Failure to do so will build an environment of mistrust and cynicism. Once this has been allowed to occur, “even the most positive communications are met with skepticism and are searched for hidden meanings or traps.” (Stoner et al. 1985, p. 606)

Whilst maintaining some of the more traditional managerial performance measures as part of contractual conditions, the QFRA is also formally assessing its executives in terms of leadership performance. In answering this challenge the QFRA has adopted the Kouzes and Posner 360-degree feedback model as an integral part of performance appraisal for executive staff, with a view to extending this approach to lower levels. Tichy and Devanna (1986) said

“Leaders must pull the organisation into the future by creating a positive view of what the organisation can become and simultaneously provide emotional support during the transition process.” To judge whether or not our leaders are creating that view and providing that support, the most accurate way is to ask those below, beside and above that individual.

The aim of any of these systems being not to criticise, ridicule or punish but to identify performance gaps and plan for improvement. This improvement may be as a result of personal development in a specific area, however development should not be seen as something to resort to but rather an ongoing strategy to achieve peak performance.

RECOMMENDATIONS

To progress the issue there is now a need to adopt several fundamental processes in order to develop a framework that will facilitate the implementation of a policy which will address the problems and maximise the potential for future organizational success through a comprehensive performance appraisal policy. These processes cannot be conducted separately but must be completed simultaneously to consider all implications.

Research Question 1. What is the purpose of performance appraisals?

Result #1. The clear purpose then of performance appraisal systems in the modern public sector environment is, in the first instance to provide a means of ensuring that individual and therefore organizational efforts are focused on;

- Achieving desired corporate directions.
- Reinforcing the desired corporate culture.
- Improving accountability and

- Institutionalizing desired organizational change.

Secondly, through implementing a sound performance appraisal policy organizations will be able to “respond more quickly and flexibly to the requirements of government and the public it serves” (Cherry, 1993, p.97).

Recommendation #1. That the Senior Executive Management Team of QFRA endorses the need for a comprehensive policy on Performance Appraisals to replace the current policy of handling Diminished Performance.

Research Question 2. What should be measured in performance appraisals?

Result #1. Within organisations such as the QFRA, which are trying to effect significant cultural change, and where a key to this is the leadership style of the executive, then an approach which considers personal qualities and the opinions of others can be just as relevant. The challenge for these organisations is to achieve a balance between a system which tracks specific progress towards corporate goals for which the officer is accountable and one that has consideration for how these are achieved. It being true then that the key competencies for the future at this level are related to a shift from a managerial to a leadership skill set, then it is this that must be the subject of performance appraisal systems.

Recommendation #1. That any performance appraisal system adopted must consider not only task related performance towards achieving organizational outputs but also consider more subjective data as can be obtained from 360 degree feedback mechanisms.

Research Question 3. How can individual performance appraisals add to organizational success?

Result #1. The ability to apply the elements as outlined within the Queensland governments workforce leadership model must form the basis of leadership competencies required for the organisation and as such form at least part of the basis for performance appraisal considerations.

These elements are:

- Organisational leadership,
- Leadership of people as individuals and teams,
- Management of change, and
- Accountability for performance.

Recommendation #1. That specific methodology for the measurement of performance is developed against each of the above elements.

The literature review of this document has examined varied viewpoints on the topic of performance appraisals. Various authors and observers have noted that there are differing arguments to the advantages or otherwise of introducing formal systems. Some argue that the introduction of such systems tends to stifle creativity or risk taking approaches and therefore it is only business as usual that is achieved. Others argue that without a system it is not possible to consolidate desired organizational directions or change. Whilst there are dangers associated with performance appraisal systems, it is evident that these are more prevalent because of poor implementation and communication strategies, whereby they are seen more as punitive measures. Systems that succeed highlight the developmental opportunities which exist and the support they offer to the individual as well as the organization.

The QFRA has traditionally relied on the more punitive approach. In recent years there has been considerable restructuring of the organization and several attempts at utilizing

performance appraisal techniques associated with pay progression, this has not however been uniform and now requires to be addressed.

The investigation of the issue has revealed a need to combine desired behaviors of managers with more tangible result driven goals to make up a performance appraisal system. The adoption of such a system will provide for significant organizational gain and result in the achievement of consolidating desired organizational directions.

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